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been made clear that the freedman is not of a hardy type, but is a perishable product who squanders his vital energies with reckless abandon (p. 411).

Various suggestions—chief of which are manual and technological education, and a plan of government allotment of farms to families on a sort of installment plan—are brought forward for the benefit of the more able, earnest, and aspiring element among the freedmen. But the real uplifting of the race is held to depend chiefly upon the effort and manfulness of the saving remnant capable of realizing the higher possibilities of life, coupled with the natural elimination of the inferior element.

The book would be vastly stronger if, in place of a vast amount of repetition and rather trivial matter with which it is largely filled, it presented more proof that it is the essentially better element among the negroes that is increasing from generation to generation. If the process of selection is working thus favorably, the race problem may solve itself very happily by the natural evolution of the *Über-Neger*; and the ultimate amalgamation of the white and negro population which the author foresees may not be an impossibility.

C. C. CLOSSON.

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*The Place of Compensation in Temperance Reform.* By C. P. SANGER, M.A. London: P. S. King & Son, 1901. Crown 8vo, pp. 136.

THIS little volume is one of the series of valuable monographs edited by Professor W. A. S. Hewins, M.A., Director of the London School of Economics and Political Science, and has for its object a critical examination of the arguments for compensation to retail liquor dealers, or, as they are commonly called in England, publicans, when their business is interfered with by temperance legislation. The monograph is written with especial reference to conditions in Great Britain. As a result of a mistaken action of Parliament in 1830, whereby free trade in liquor selling was established, the number of licenses issued, it is generally admitted, was excessive. This action was not reversed until 1869, when for the renewal of the licenses issued up to that time the strongest guarantee was given. Since then, through unwise administration of the liquor laws by the justices, the situation has not materially improved. In the meantime there has been considerable agitation by the temperance party, on the one hand, for a

reduction in the number of beer houses, and on the other hand, numerous proposals for compensation in case of reduction have been made by conservative members in the English Parliament during the last twenty-five or thirty years. These are the facts which appear to have called forth the present essay.

The scope of the essay is comprehensive. In the first place there is a discussion of the general argument for compensation to vested interests when legislature finds it necessary for the public good to deprive an individual or a class of individuals of their property, their legal rights, their means of livelihood, or of a reasonable expectation of continuance in a private business or enterprise. This is followed by an examination of various cases where compensation has been given in England during the last hundred years, which illustrate the general argument. In the third place, the special features of property in a liquor license are described; and then follows an examination of precedents for and against compensation in foreign countries, especially in the British Colonies and the United States, with a view of possibly throwing some light on the practice of English-speaking people elsewhere. Next comes an account of the most recent proposals for compensation which have been made in Parliament, together with the opinions of English statesmen, which are quoted to show the points of agreement and those of difference that exist in the minds of the community on the subject. Finally the author sums up the conclusions which he draws from the general inquiry.

In the introduction to his inquiry Mr. Sanger lays down the proposition that "in a modern, civilized state it is generally accepted as a political principle, that the interests of the individual must be subordinated to, or even disregarded in favor of, the public interest," and that when as a deduction from this principle the legislature finds it necessary to deprive any member or members of the community of their property or their legal rights, the question arises, in the first place, whether it is not also the interest of the community to compensate the individuals for their loss; and, in the second place, whether, apart from the self-interest of the community, "justice does not require that such individuals should be compensated." In short, whether it is not both expedient and just that the vested interests of private individuals should be indemnified for loss through legislative innovations. The grounds on which, in general, compensation is

granted are found to be variously stated: vested rights or interests, legitimate expectations, justice, and, more rarely, political necessity or expediency. The first three grounds imply more or less moral obligation on the part of the state; the last implies nothing moral *per se*. From the utilitarian standpoint, however, as the author points out, there is after all little difference "between the statement that the legislature *ought* to compensate vested interests and the statement that it is *expedient* that it should compensate them." And all these grounds may really be summed up under the general head of vested rights or interests. After an examination of the political theories of Austin, Bentham, and Sidgwick, the author concludes that the true test of a vested interest is the "non-disappointment" principle; that is, a right or an interest in the exercise of which the owner or possessor has been led by legislative action or by custom to believe shall continue unimpaired, at times including rights which have been sanctioned by custom even though they were legally prohibited. And the amount of compensation for any injury to such rights is determined by the amount of the disappointment experienced and the depreciation in the market value of the right as a result of legislative interference. The plea for political necessity or expediency is made to rest mainly on economic grounds. Uncertainty impairs greatly the forces of production. The community must guarantee without distinction some degree of certainty for the future in rights and expectations or compensate for loss where discrimination is made, on the general ground that stability and security of property is of the utmost importance in human affairs. And so, stated in this form, the argument appeals the more strongly to the self-interest of the general community. In support of this contention the author cites numerous historical precedents. Among others, the Lands Consolidation Acts (1845), which provided for full compensation when private lands were taken for public uses, and the provisions made by the English government during the early thirties, when the abolition of slavery was brought about in the colonies. Again, injuries through the abolition of proctors in the courts in 1857, and the loss of employment to the holders of archbishoprics, bishoprics, benefices, etc., through the disestablishment of the Irish church in 1869, were all compensated. In all the cases cited, with one or two exceptions, it is shown that compensation has been given, not only when real property has been taken away or valuable monopolies destroyed, but also when expectations of employment have been damaged.

After having established his general argument for compensation Mr. Sanger inquires whether the holder of a liquor license has the same claim to compensation, in case of injury, as have holders of other forms of property or rights; and to that end he first examines the special features of the position of a license-holder. These special features are as follows: First, the legal position. A liquor license lasts for one year only, but the legislature appears to contemplate a renewal of the license in the ordinary course. In the case of the renewal of licenses of beer-houses which were in existence in 1869, a license cannot be refused except for bad character or misconduct, for keeping a disorderly house, or because the applicant is not duly qualified as is required by law. In the case of beer or liquor houses which have been established since 1869 the renewal of a license rests with the discretion of the justices. Second, although licenses are granted for only one year, the probability of renewal is very high, as is shown (1) by legal decisions, (2) by the rates of insurance against loss of license, it being a very common thing in England for brewers and distillers to insure holders of licenses against loss in case of failure of renewal, (3) by statistics which show the number of licenses actually granted annually, and (4) by market values of licenses. Third, licensed premises are generally heavily mortgaged by brewers and distillers, and so if a license failed of renewal the result would be loss not only to the licensee but to the brewers and distillers as well. Fourth, the retail liquor interests are large and widespread. Moreover, owing to the development of joint stock companies investments in brewing and distilling establishments have become very widely diffused throughout the population; and so any injury to the interests of retail dealers would also affect, indirectly, the interests of stockholders in brewing and distilling plants.

From what is said by the author on this phase of the subject it is clear that the retail liquor interests in England come well within the definition of "vested interests" or "vested rights;" that an extraordinary degree of disappointment would be felt by a very numerous class of persons who have made large investments with the full sanction of law and custom and in the expectation that the returns on their investments will not be impaired. The author concludes, and rightly, that any innovation which would cause an unexpected loss to these interests ought also to provide proper indemnity for the loss, even if only for the purpose of assuring the general community that the legislature

proposes to respect vested interests which have become established under legal protection or have been permitted by custom.

When the author comes to examine precedents for compensations to liquor interests in the English colonies and the United States, however, he finds next to nothing of the kind there; while in the United States numerous precedents against compensation may be found, and those, of course, in the states where prohibitory laws have been enacted or where local option obtains; that is, no compensation was provided for when these prohibitory laws were enacted. In several instances our supreme court has decided that prohibition without compensation is not illegal, and some of our states have enacted that liquor selling is a common nuisance; so that to a considerable extent the grounds for compensation have been destroyed. Hence the author concludes that in the other countries where legal and other conditions are so different from those in England the precedents offer no guidance for action in England. He, therefore, turns again to England to examine the proposals which have been made for compensation there in order to discover what the trend of English thought has been on the subject.

Since 1870 some seven different proposals for compensation have been made in the English Parliament. Some of these provided for the determination of licenses only after a certain term of years, in order to save license-holders from loss by giving them time to withdraw their capital from the liquor business and reinvest it in some other enterprise; and some provided for an out and out money compensation. "These different proposals show," the author states, "that in general it is thought advisable to give some compensation." And this view is supported by the opinions, among others, of statesmen like Mr. Gladstone and Mr. Chamberlain, and of Professor Sidgwick. The following opinion expressed by Mr. Chamberlain and quoted by Mr. Sanger is of interest as showing the attitude of the English mind on the subject:

We have compensated every conceivable interest in this country whenever the well-being of the community has necessitated interference. We compensated proctors for abandoning their privilege of delay in legal procedure; we compensated the officers of the army for surrendering the admittedly illegal system of purchase; . . . we are actually at this day [May, 1876] compensating the heirs of a man who died 200 years ago, for his losses in the service of the most profligate monarch our country has ever known. Their case [that of the publicans] is the more entitled to compensation

because they may plausibly urge that they have been tempted into the trade by past legislation, while many of them can show that they have bought with hard cash their share of that monopoly, licensed by the state, of which it is now proposed to deprive them.

The author's conclusion to his inquiry is that a liquor license represents a vested interest, and that the fact that the rights or interests are "*mala in se* or *mala prohibita*" is not sufficient to debar the claim to compensation." And as to the actual position of a license-holder in England at the present time he concludes: "(1) That the legislature and the courts of law contemplate renewal as the normal course of events; (2) that this expectation of renewal is at the present time a practical certainty; (3) that the amount of capital invested on the strength of this expectation is very large and [is] distributed widely throughout the community. There is, therefore, a very strong *prima facie* case for compensation."

The essay is of value as showing just what the feeling of the English people is with reference to the question of compensation for injury to vested rights, and what claim in particular liquor license-holders have for indemnity in case the legislature should interfere with their business. The extreme temperance party in England, as is usually the case in America, is opposed to any form of compensation; and yet in view of all the facts it is more than probable that no real headway will be made toward reducing the number of licenses in England or in any other way effecting permanent temperance reform there until the right to compensation as insisted upon by Mr. Sanger is recognized. A bill embodying this principle in a satisfactory way would not only have the effect of lessening the opposition of the liquor interests, but would probably secure sufficient support from other vested interests to become law; and hence a real step toward improving the present situation would be made.

Mr. Sanger has done well the work he laid out for himself. The essay is written in a clear, concise style and in a thoroughly scientific spirit, and is a real contribution to the literature on temperance reform.

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*Social Control: A Survey of the Foundations of Order.* By EDWARD ALSWORTH ROSS. New York: The Macmillan Co., 1901. 8vo, pp. 463.

SOCIOLOGISTS are busily occupied today putting interrogation points to the philosophy of individualism, and they are very far away